

**RESPONSE UNDER 37 CFR 1.116  
EXPEDITED PROCEDURE  
GROUP ART UNIT 3628**

**REMARKS**

Claims 21-24, 58-61 and 68-72 are pending with claims 21, 58, 59, 60, 61 and 68 being independent. Independent claims 21, 58, 59, 60, 61 and 68 are amended to better distinguish the claimed subject matter by reciting, in part “on the occurrence of an unscheduled event.” Applicants submit that this limitation has already been considered by the Examiner; therefore no new issues are raised which require a new search and/or further consideration. Entry of the amendments is respectfully requested to place the application in condition for allowance or better form for appeal, if required. Applicants respectfully request reconsideration of the application in view of the amendments and following remarks.

***103 (a) Rejection***

Claims 21-22, 58, 59, 61 and 68-72 were rejected under 35 U.S.C. 103(a) as being unpatentable over the Ambalink system (“Ambalink”) described in Origin Universal News Services press release of June 8, 1999 and U.S. Patent No. 5,771,282 to Friedes (“Friedes”). Claims 23 and 24 were rejected under 35 U.S.C. 103(a) as being unpatentable over Ambalink in view of Friedes in view of U.S. Patent No. 6,529,725 to Joao *et al.* (“Joao”). Claim 60 was rejected under 35 U.S.C 103(a) as being unpatentable over Ambalink in view of Friedes and Joao. Applicants respectfully traverse these rejections.

Applicants submit that the combined references do not teach or suggest all the claimed limitations, either separately or when combined. Moreover, there is no motivation to combine the Ambalink and Friedes references. For example, *arguendo*, if it were possible to combine the references, the only billing that could occur is for telephone calls, since Friedes is only capable of billing phone calls, which Applicants submit does not produce the claimed invention. Moreover, the principle of operation of the Friedes reference would have to change. Hence there would be no expectation of

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success, as required by MPEP §2143. Further, Applicant submits that any motivation to combine would be hindsight arising from reading the Applicants' own disclosure which is impermissible.

Referring the Examiner now to MPEP §2143, titled "**Basic Requirements for a Prima Facie case of Obviousness**", the MPEP mandates that:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all of the claimed limitations.

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not applicant's disclosure. (Emphasis added).

Further, MPEP 2143.02 states:

The proposed modification cannot change the principle of operation of a reference.

The Ambalink system is directed to an online shopping center with on-line merchants, a secure transaction mechanism where a consumer's credit information is not required to be transmitted on the Internet. As admitted by the Examiner on page 3 of the Office Action, Ambalink does not disclose "aggregating a multiplicity of transactions that involve the consumer" and "charging the aggregated multiplicity of transactions to a consumer billing account upon the occurrence of a specified event" and looks to Friedes to provide the missing features. However, Applicants submit that there is no motivation to combine the disclosure of Ambalink with the disclosure of Friedes as it does not

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produce the claimed inventions as recited by independent claims 21, 58, 59, 60, 61 and 68.

Friedes is directed to an aggregating billing function within a telephone network 10 made from telephone stations 12, 14, 16, 18, 20 having different identifiers (col. 1, lines 60-64). The stations 12, 14, 16, 18, 20 originate and receive long distance alls and are served by toll switches 40 within an IXC network 41, such as the IXC network maintained by AT&T (col. 2, 54-59). The billing system of Friedes renders bills to subscribers in accordance with telephone numbers associated with the station where a call originates (col. 4, lines 4-7), and aggregates bills for calls made from separate telephone stations associated with the single same subscriber (col. 4, 13-16). The “aggregation” of Friedes is directed to billing telephone calls made from different locations and phones. In this way, a subscriber having multiple lines at the same or separate locations receives an aggregate bill for services rendered by the IXC network for calls from the telephone stations common to the subscriber. Applicant submits, *arguendo*, that combining Ambalink with Friedes at best, and only using impermissible hind-sight, could produce a system that can only aggregate-bill phone calls made from different phones with a common billing account. Moreover, the only information processed by the Friedes system is disclosed at col. 3, lines 40-52 and includes: billing number which is the number associated with the telephone station, called station, the length of call, and the time the call was made. Applicant submits that the combination of Friedes and Ambalink only provides for, if somehow combined, aggregated billing of phone calls made from different locations or phones since all Friedes can aggregate for billing purposes is phone calls made from different phones. This clearly does not produce the claimed inventions.

It is not apparent what would motivate anyone to combine these two systems since the Ambalink system is directed to on-line purchases and Friedes is directed to and capable of billing only phone calls made using telephone switches in a telephone network. Applicants submit that this is clearly no motivation for combining these references as there can be no general billing capability other than phone calls in Friedes

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that only accepts specific phone and call related information. This is not suitable for on-line commerce. It is also not obvious how one would combine these two systems as Friedes has very specific functions and billing characteristics tailored to the telecommunications industry which are not at all capable of billing on-line purchases of goods purchased from a merchant's computer in a network, for example, and not to billing of a plethora of unrelated goods typically expected to be purchased in an on-line market place. Furthermore, the billing system of Friedes is inherently the billing system for only one "merchant," i.e., AT&T, which is the same provider providing the telephone processing IXC network, i.e., AT&T (see col. 2, lines 54-59). Therefore, the billing system of Friedes is inherently assuming only one "merchant" (i.e., AT&T) and only one type of transaction to bill, i.e., telephone calls, in a very specific and limited format (see col. 3, lines 53-55). Somehow, *arguendo*, when combining Friedes with Ambalink, as the Examiner proposes, a consumer would have to purchase a phone call on-line, make a call on-line and have the call identified by telephone number in order for the billing system of Friedes to be able to bill the transaction. Purchases made for any other non-phone call product can not be billed by the Friedes system, which Applicant submits can not successfully produce the claimed inventions. The claimed invention does not contemplate some type of phone and related equipment to always make a "purchase" as would the combined Ambalink and Friedes system in order for a "transaction" (i.e., phone calls) to be "successfully" billed by the combination (since only phone calls can be billed by Friedes). Since there is no reasonable expectation of success to produce the claimed inventions, there is therefore no motivation to combine the Ambalink and Friedes references.

Moreover, the changes required to the system of Friedes would significantly change its principles of operation in order to accommodate the billing operations required for general on-line commerce. For example, the specific formats and interface that Friedes specifies for telecommunication operations would require significant modification and the interaction of interfaces would require extensive redesign in order to

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accommodate, for example, multiple merchants, general transaction identification (other than phone numbers, etc.), aggregation of bills upon unscheduled events, etc. According to the MPEP, changing the principle of operation is not permitted when combining references. Hence, this combination is not a case of *prima facie* obviousness. Moreover, Applicant submits that there is no motivation in either reference to combine these two references, i.e., Ambalink and Friedes, because the billing system of Friedes is very specific to the telecommunications industry and is generally unsuitable for use in an on-line marketplace where products of all kinds may be purchased and billed. Applicant submits that the combination does not and can not produce the robust functionality of the claimed inventions.

Furthermore, Applicants submit that the references of record do not disclose or suggest, singly or in combination, all the claimed limitations of each independent claims 21, 58, 59, 60, 61 and 68 which recite, in part:

upon the occurrence of an unscheduled event...

Moreover, the Examiner has inferred on page 4 of the office action that an “event” is disclosed by Friedes, i.e., a “billing cycle” and cites the passage at col. 4, line 13 to col. 5, line 14 to demonstrate this. However, Applicants submit that this passage does not explicitly refer to a billing cycle at all. Furthermore, Applicants submit that a billing cycle is not an “unscheduled event” (rather, a very scheduled event), as recited by each independent claim 21, 58, 59, 60, 61 and 68, and as such, neither Ambalink nor Friedes, nor any other reference of record, singly or in combination, discloses or suggests “upon the occurrence of an unscheduled event.”

Applicants submit that since there is no motivation to combine Ambalink with Friedes as described above. Moreover, the references of record, either alone or in combination, fail to disclose or suggest all the claimed limitations including at least “upon the occurrence of an unscheduled event.” Therefore, a *prima facie* case of

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obviousness has not been demonstrated and, as such, independent claims 21, 58, 59, 60, 61 and 68, and the claims depending therefrom, are allowable over the prior art of record. Applicants submit that the 103(a) rejection over Ambalink and Friedes should now be withdrawn.

As to dependent claims 23 and 24, Applicants submit that Joao fails to supply the missing limitations of Ambalink and Friedes including “upon the occurrence of an unscheduled event” and, as such, are also allowable for at least their dependency from an allowable independent claim 21. Furthermore, the Examiner admits that Ambalink and Friedes does not disclose or suggest “obtaining from the consumer billing authority a preauthorization that permits charging a predetermined amount to the consumer billing account” and asserts on pages 5-6 of the Office Action that Joao discloses these limitations and cites the Abstract of Joao. However, a close inspection of the Abstract clearly shows that this assertion is incorrect as neither the Abstract of Joao, nor anywhere else in Joao, discloses or suggests the claimed subject matter of claims 23 and 24 including, for example, a “charging a predetermined amount” and/or “obtaining a preauthorization.” There is no reference or suggestion at all to these limitations in Joao.

As to independent claim 60, Applicants submit that none of the references of record including Ambalink, Friedes or Joao, either singly or in combination, discloses or suggests:

upon the occurrence of an unscheduled event...

Furthermore, the Applicants were directed to the rejection of claims 23 and 24 where the Examiner cites the Abstract of Joao. However, as discussed previously, this passage of Joao does not disclose or suggest the claimed subject matter of claims 23 and 24 and likewise does not disclose or suggest the similar subject matter of claim 60 either, including for example, “charging a predetermined amount” and/or “obtaining a preauthorization.” These limitations are not disclosed or suggested in Joao. Therefore, since all the limitations are not disclosed or suggested by the prior art of record, either

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singly or in combination, Applicants submit that the 103(a) rejection of claim 60, and all pending claims, should now be withdrawn.

**CONCLUSION**

In view of the foregoing amendments and remarks, Applicants submit that all of the claims are distinguishable over the prior art of record and are now in condition for allowance or in better form for appeal. The Examiner is respectfully requested to pass the above application to issue. The Examiner is invited to contact the undersigned at the telephone number listed below, if needed. Applicant hereby makes a written conditional petition for extension of time, if required. Please charge any deficiencies in fees and credit any overpayment of fees to Attorney's Deposit Account No. 23-1951.

Respectfully submitted,



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